

UNITED STATES OF AMERICA

DEPARTMENT OF COMMERCE

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)	
In the Matter of)	
)	Case No. <u>95-25</u>
)	
GLOBAL TRANSPORT SERVICES, INC.)	
)	
_____)	

ORDER

The Office of Antiboycott Compliance, Bureau of Export Administration, U.S. Department of Commerce ("Department"), having determined to initiate an administrative proceeding pursuant to Section 11(c) of the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1997)) (the "Act")¹ and the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1997)), against Global Transport Services, Inc. ("Global"), a domestic concern resident in the State of Texas, based on the allegations set forth in the Proposed Charging Letter, dated August 19, 1997, attached hereto and incorporated herein by this reference;

¹ The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)) and August 13, 1997 (62 Fed. Reg. 43629, August 15, 1997), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1997)).

The Department and Global having entered into a Settlement Agreement, incorporated herein by this reference, whereby the parties have agreed to settle this matter; and

The Assistant Secretary for Export Enforcement having approved the terms of the Settlement Agreement:

IT IS THEREFORE ORDERED THAT,

FIRST, a civil penalty in the amount of \$10,000 is assessed against Global;

SECOND, Global shall pay to the Department the sum of \$10,000 in the following manner: \$2,500 on or before October 31, 1997; \$2,500 on or before December 31, 1997; \$2,500 on or before March 31, 1998 and \$2,500 on or before June 30, 1998.

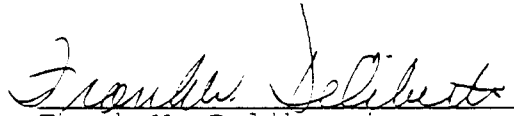
THIRD, as authorized by Section 11(d) of the Act, the timely payment of the sum of \$10,000 is hereby made a condition to the granting, restoration or continuing validity of any export license, permission, or privilege granted, or to be granted, to Global. Accordingly, if Global should fail to make any payment in a timely manner, the undersigned will enter an Order under the authority of Section 11(d) of the Act denying all of Global's export privileges

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for a period of one year from the date of the entry of this Order;
and

FOURTH, the Proposed Charging Letter, the Settlement Agreement and this Order shall be made available to the public, and a copy of this Order shall be served upon Global.

This Order is effective immediately.


Frank W. Deliberti
Acting Assistant Secretary
for Export Enforcement

Entered this 6th day of November, 1997

UNITED STATES OF AMERICA
DEPARTMENT OF COMMERCE

_____)	
)	
In the Matter of)	
)	Case No. <u>95-25</u>
)	
GLOBAL TRANSPORT SERVICES, INC.)	
)	
_____)	

SETTLEMENT AGREEMENT

This agreement is made by and between Global Transport Services,, Inc. ("Global"), a domestic concern resident in the State of Texas, and the United States Department of Commerce ("Department"), pursuant to Section 766.18(a) of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1997), issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 & Supp. 1997)) (the "Act").¹

WHEREAS, the Office of Antiboycott Compliance, Bureau of Export Administration, U.S. Department of Commerce, has notified Global of its intention to initiate an administrative proceeding against Global pursuant to Section 11 (c) of the Act by issuing the

¹ The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995), extended by Presidential Notices of August 15, 1995 (C.F.R., 1995 Comp. 501 (1996)), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)) and August 13, 1997 (62 Fed. Reg. 43629, August 15, 1997), continued the Regulations in effect under the International Emergency Economic Powers Act (50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1997)).

Proposed Charging Letter, dated August 19, 1997, a copy of which is attached hereto and incorporated herein by this reference; and

WHEREAS, Global has reviewed the Proposed Charging Letter and is aware of the allegations against it and the administrative sanctions which could be imposed against it if the allegations are found to be true; it fully understands the terms of this Settlement Agreement, and enters into this Settlement Agreement voluntarily and with full knowledge of its rights; and it states that no promises or representations have been made to it other than the agreements and considerations herein expressed; and

WHEREAS, Global neither admits nor denies the truth of the allegations, but wishes to settle and dispose of the allegations made in the Proposed Charging Letter by entering into this Settlement Agreement; and

WHEREAS, Global agrees to be bound by the appropriate Order ("Order") when entered;

NOW, THEREFORE, Global and the Department agree as follows:

1. Under the Act and the Regulations, the Department has jurisdiction over Global with respect to the matters alleged in the Proposed Charging Letter.

2. In complete settlement of all matters set forth in the Proposed Charging Letter, Global will pay to the Department, in accordance with the appropriate Order, when entered, the amount of \$10,000 in the following manner: \$2,500 on or before October 31, 1997; \$2,500 on or before December 31, 1997; \$2,500 on or before March 31, 1998 and \$2,500 on or before June 30, 1998.
3. As authorized by Section 11(d) of the Act, timely payment of the amount agreed to in paragraph 2 is hereby made a condition of the granting, restoration, or continuing validity of any export license, permission, or privilege granted, or to be granted, to Global. Failure to make any payment as described in paragraph 2, above, shall result in the denial of all of Global's export privileges for a period of one year from the date of entry of the appropriate Order imposing the civil penalty.
4. Subject to the approval of this Settlement Agreement pursuant to paragraph 9 hereof, Global hereby waives all rights to further procedural steps in this matter (except with respect to any alleged violation of this Settlement Agreement or the appropriate Order, when entered) including, without limitation, any right to:

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- A. An administrative hearing regarding the allegations in the Proposed Charging Letter;
 - B. Request a refund of the funds paid by Global pursuant to this Settlement Agreement and the appropriate Order, when entered; or
 - C. Seek judicial review or otherwise contest the validity of this Settlement Agreement or the appropriate Order, when entered.
5. The Department, upon entry of the appropriate Order, will not subsequently initiate any administrative or judicial proceeding, or make a referral to the Department of Justice for criminal proceedings against Global, with respect to any violation of Section 8 of the Act or Part 769 or redesignated Part 760 of the Regulations arising out of the transactions set forth in the Proposed Charging Letter or any other transaction that was disclosed to or reviewed by the Department in the course of its investigation.
6. Global understands that the Department will disclose publicly the Proposed Charging Letter, this Settlement Agreement, and the appropriate Order, when entered.

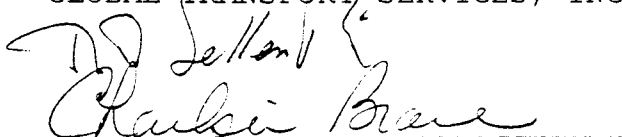
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7. This Settlement Agreement is for settlement purposes only, and does not constitute an admission by Global that it has violated the Regulations or an admission of the truth of any allegation contained in the Proposed Charging Letter or referred to in this Settlement Agreement. Therefore, if this Settlement Agreement is not accepted and the appropriate Order not entered by the Assistant Secretary for Export Enforcement, the Department may not use this Settlement Agreement against Global in any administrative or judicial proceeding.
8. No agreement, understanding, representation or interpretation not contained in this Settlement Agreement may be used to vary or otherwise affect the terms of this Settlement Agreement or the appropriate Order, when entered, nor shall this Settlement Agreement bind, constrain or otherwise limit any action by any other agency or department of the United States Government with respect to the facts and circumstances herein addressed.

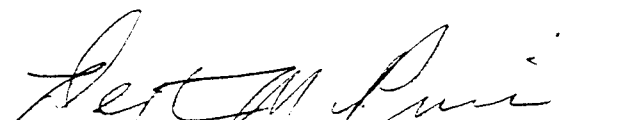
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9. This Settlement Agreement will become binding on the Department only when approved by the Assistant Secretary for Export Enforcement by entering the appropriate Order.

GLOBAL TRANSPORT SERVICES, INC.


Charles BraneDate: 9-23-97

U.S. DEPARTMENT OF COMMERCE


Dexter M. Price
Acting Director
Office of Antiboycott ComplianceDate: 10/30/97



UNITED STATES DEPARTMENT OF COMMERCE
Bureau of Export Administration
Washington, D.C. 20230

A621-10

PROPOSED CHARGING LETTER

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

August 19, 1997

Global Transport Services, Inc.
15710 JFK Boulevard
Houston, Texas 77032

Attention: R.D. Sellentin and
Charlsie Browne

Case No. 95-25

Dear Sir/Madam:

We have reason to believe and charge that you, Global Transport Services, Inc., have committed four (4) violations of the Export Administration Regulations (currently codified at 15 C.F.R. Parts 730-774 (1997), (hereinafter the "Regulations"),¹ issued pursuant to the Export Administration Act of 1979, as amended (50 U.S.C.A. app. §§ 2401-2420 (1991 and Supp. 1996)) (herein after the "Act").²

¹ The alleged violations occurred in 1993 and 1994. The Regulations governing the violations at issue are found in the 1993 and 1994 versions of the Code of Federal Regulations (15 C.F.R. Parts 768-799 (1993 and 1994)). Those Regulations define the violations that the Bureau of Export Administration alleges occurred and are referred to hereinafter as the former Regulations. Since that time, the Regulations have been reorganized and restructured. The restructured Regulations, established the procedures that apply to the matter in this letter.

² The Act expired on August 20, 1994. Executive Order 12924 (3 C.F.R., 1994 Comp. 917 (1995)), extended by Presidential Notices of August 15, 1995 (3 C.F.R., 1995 Comp. 501 (1996), August 14, 1996 (3 C.F.R., 1996 Comp. 298 (1997)) and August 13, 1997 (62 Fed. Reg. 43629, August 15, 1997), continued the Regulations in effect under the International Emergency Economic Powers Act (Currently Codified at 50 U.S.C.A. §§ 1701-1706 (1991 & Supp. 1997)).



We charge that with intent to comply with, further or support an unsanctioned foreign boycott, you, in one instance furnished information concerning another person's business relationships with or in a boycotted country, an activity prohibited by Section 769.2(d) of the former Regulations, and not excepted.

We also charge that you failed, in three instances, to report to the Office of Antiboycott Compliance your receipt of boycott requests, as required by Section 769.6, of the former Regulations.

We allege that:

1. You are a domestic concern resident in the State of Texas and, as such, you are a United States person as defined in Section 760.1(b) of the Regulations.
2. Between January 1993 and April 1994, you engaged in transactions involving the transfer of United States origin goods and services, including information, between the United States and Kuwait, activities in the interstate or foreign commerce of the United States as defined in Section 769.1(d) of the former Regulations.
3. In connection with the transactions referred to paragraph 2 above, on or about April 14, 1994, you prepared an original set of shipping documents, Invoice No. 1-11598, Customer Order No. AJL/KOC-13/94 for export to Safat, Kuwait. In preparation of these documents you provided the following statement on the invoice:

"THE GOODS ENUMERATED IN THIS INVOICE ARE NEITHER
OF ISRAELI ORIGIN NOR DO THEY CONTAIN ANY KIND OF
ISRAELI MATERIAL."
4. On or about April 14, 1994, you submitted to Ajal Contracting & General Trading Company in Safat, Kuwait, on behalf a U.S. company, the set of export documents including the invoice described in paragraph 3 above. By submitting the invoice as described, you furnished information concerning another person's business relationships with or in a boycotted country, an activity prohibited by Section 769.2(d) of the former Regulations, and not excepted. We hereby charge you with one violation of Section 769.2(d).
5. In connection with the transactions described in paragraph 2 above, on or about January 27, 1993, March 9, 1993 and April 14, 1994, you received instructions from the Ajal Contracting & General Trading Company in Safat, Kuwait, with respect to Invoice Nos. 1-11598, 1-

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9619 and 1-9525. Each page of instructions contained the following request:

"Invoice should duly mention the following clause:

THE GOODS ENUMERATED IN THIS INVOICE ARE NEITHER OF ISRAELI ORIGIN NOR DO THEY CONTAIN ANY KIND OF ISRAELI MATERIAL."

6. The request described in paragraph 5 above, constitutes a request to engage in a restrictive trade practice or boycott, which you were required to report to the Department. By failing to so report your receipt of a boycott request, on three occasions, you have committed three violations of Section 769.6 of the former Regulations. We hereby charge you with three (3) violations.

Accordingly, administrative proceedings are instituted against you pursuant to Part 766 of the Regulations for the purpose of obtaining an order imposing administrative sanctions.³

You are entitled to a hearing on the record as provided in Section 766.6 of the Regulations. If you wish to have a hearing on the record, you must file a written demand for it with your answer. You are entitled to be represented by counsel, and, under Section 766.13 of the Regulations, to seek a settlement agreement.

If you fail to answer the allegations contained in this letter within thirty days after service as provided in Section 766.6, such failure will be treated as a default under Section 766.7.

As provided in Section 766.3, I am referring this matter to the Administrative Law Judge. Pursuant to an Interagency Agreement between BXA and the U.S. Coast Guard, The U.S. Coast Guard is providing administrative law judge services, to the extent that such services are required under the Regulations, in connection with the matters set forth in this letter. Therefore, in accordance with the instructions in Section 766.5(a) of the Regulations, your answer should be filled with:

³ Administrative sanctions may include any or all of the following:

- Denial of export privileges (see Section 764.3(a)(2));
- Exclusion from practice (see Section 764.3(a)(3));
- The maximum civil penalty of \$10,000 per violation (see Section 764.3(a)(1)).

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U.S. Coast Guard ALJ Docketing Center
40 South Gay Street
Baltimore, Maryland 21202-4022

Attention: Administrative Law Judge

Also, in accordance with the instructions in Section 766.5(b) of the Regulations, a copy of your answer should also be served on the Bureau of Export Administration at:

Office of the Chief Counsel for Export Administration
U.S. Department of Commerce
Room H-3839
14th Street & Constitution Avenue, N.W.
Washington, D.C. 20230

Attention: Jeffrey E.M. Joyner, Esq.

Mr. Joyner may be contacted by telephone at (202) 482-5311.

Sincerely,

Dexter M. Price
Acting Director
Office of Antiboycott Compliance